

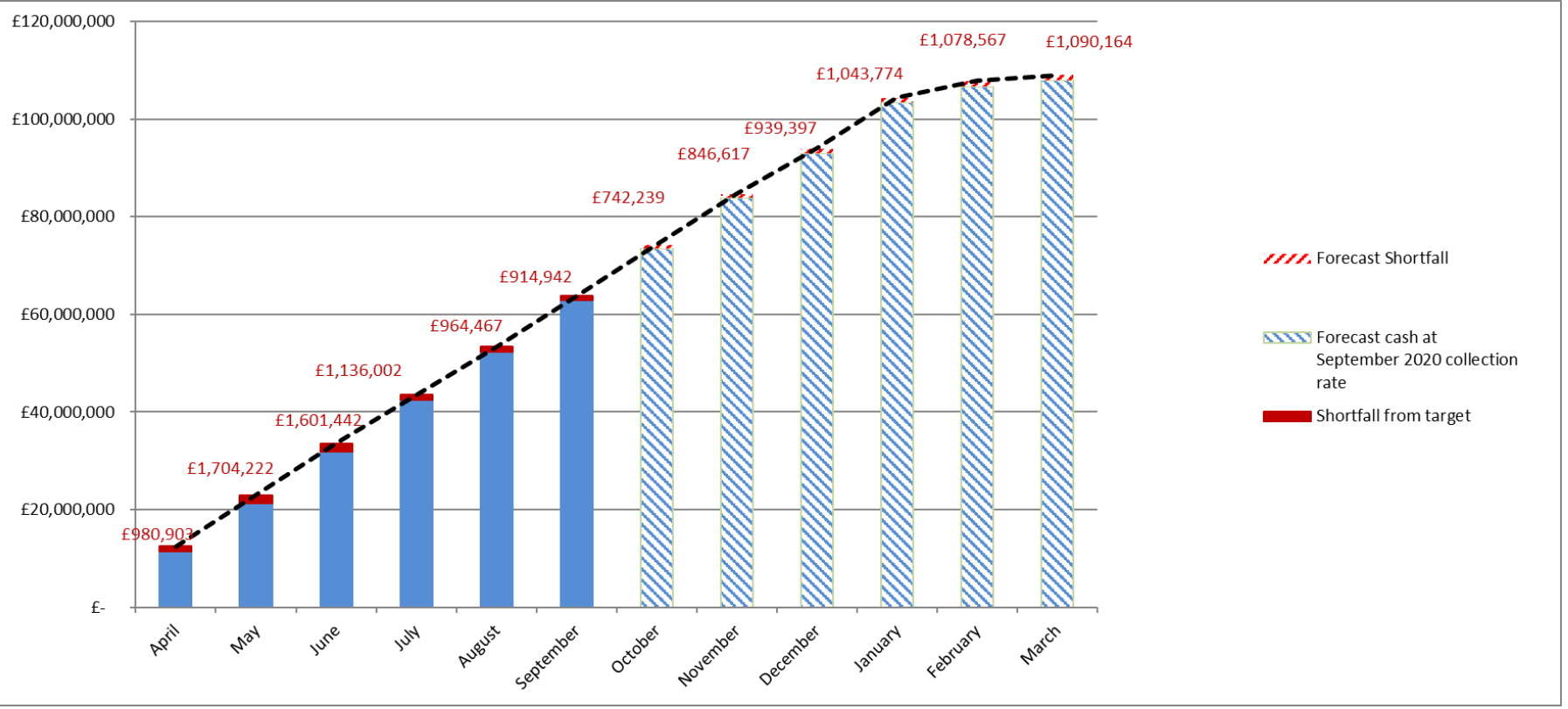
APPENDIX 3 - Collection Fund

Council Tax and Business Rates Collection

As at the end of September, collection of both Council Tax and Business Rates is below target and prior year trends, and this is attributed to the economic impact of COVID-19.

Council Tax collection rates have slowly improved since April, but remain 1% below target. If this trend continues then the forecast deficit on Council Tax collection by the end of March 2021 is £1.090m of which the Council's share is £0.912m. This is a further improvement on the position reported at the end of August.

However, since April there has been an increase in the number of residents eligible for Council Tax Support, with an associated increase in cost. There is a risk that further claims may arise during the second half of the year, and that collection rates may fall, as the economic impact of the ongoing pandemic and Tier 3 restrictions becomes clearer.



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Business Rates collection improved between April and July, however this improvement was not sustained in August, with a deterioration in September and overall collection is still significantly below target. If this trend continues then the forecast deficit on Business Rates by the end of March 2021 is £3.299m. There remains a risk that economic conditions, and Tier 3 restrictions, may have a significant negative impact on the sustainability of some businesses, resulting in increased non payment with minimal opportunity for recovery.

